CITY OF HENDERSONVILLE
BOARD OF MAYOR AND ALDERMEN
MINUTES OF REGULAR MEETING
JUNE 11, 2013

PRESENT

SCOTT FOSTER, MAYOR
SCOTT SPROUSE, VICE-MAYOR
DON AMES, ALDERMAN
ARLENE CUNNINGHAM, ALDERMAN
HAMILTON FROST, ALDERMAN
PAUL R. GOODE, ALDERMAN
ROSA LONG, ALDERMAN
FRED QUALLS, ALDERMAN
MARK SKIDMORE, ALDERMAN
MATT STAMPER, ALDERMAN
JIM WATERS, ALDERMAN
LISA WEST, ALDERMAN
DARRELL WOODCOCK, ALDERMAN
JOHN BRADLEY, CITY ATTORNEY
KAY FRANKLIN, CITY RECORDER

AGENDA

Skidmore moved; seconded by Stamper for acceptance of the agenda.

Sprouse moved; seconded by Frost to add reading of Resolution 2013-14, a Resolution to declare certain public safety equipment to be surplus and directing disposal.

There was a unanimous vote for approval to add Resolution 2013-14 to the agenda.

There was a unanimous vote for approval of the agenda as amended.

Foster announced a public meeting for the Sanders Ferry Bike and Pedestrian Trail will be held on Thursday, June 27 at 7:00 p.m. at the Hendersonville Public Library.

MINUTES

West moved; seconded by Waters for approval of the May 28, 2013 minutes.

There was a majority vote for approval with Cunningham abstaining.

Foster declared the motion carried.

CITIZENS COMMENTS

Tara Michelle Furman, 121 Cloverdale Court, addressed the Board stating she should not have to beg for decent pay for her police officer husband. She stated the rising cost of insurance takes away from his paycheck. She urged the Fire and Police Department pay plans be separated from other employees who don't put their lives on the line and sit in an office.

Mike Hudson, 114 Savely Court, addressed the Board requesting a motion from the Board to fix the drainage culvert under the railroad tracks creating the drainage problem at his house. He distributed photographs of his HVAC unit and a culvert with debris.

Donna DeSopo, 101 Chambliss Court, addressed the Board stating she understands the criticism of the proposed pay plan. She stated the data provided is skewed and cited information she had gathered from other cities.

REPORTS

Finance Committee – no report.

General Committee – recommended an ordinance amending the Municipal Code to remove "excessively repetitive" from Guidelines for Public Comments and recommended a resolution adopting the Job Classification and Pay Table contingent upon passage of the proposed pay plan.

Public Safety Committee – recommended a resolution to declare certain public safety equipment to be surplus and directing its disposal and discussed requiring background and drug tests for wrecker company employees on the City's emergency call list.

Public Works Committee – no report.

Capital Projects Committee – no report.

Planning Commission – no report.

Mayor – reported the Twitty Senior Women's NIT Tournament consisting of 38 teams from 12 states and Canada will be in town this week using the parks; reported the Tennessee Elite Invitational Softball College Exposure Tournament consisting of 40 teams from eight different states with 25 college coaches attending will be next week; reported the Parks Department received an award from the Tennessee Special Olympics and reported progress on the installation of the permanent Veteran's Park sign.

ORDINANCES AND RESOLUTIONS

The caption of Ordinance 2013-28 was read on first reading, an Ordinance to adopt a City budget and to appropriate funds for Fiscal Year 2013-2014. Goode moved; seconded by Sprouse.

Foster explained the budget did not contain funds for the addition to Fire Hall 5 to house the fire truck expected early next year but credited staff for finding bond money for paving from 2004 still available. He explained funds could be pulled from the proposed paving budget to add the addition to the fire hall and replaced with funds from the bond issue. He further explained the pay plan consultant surveyed 35 cities to determine his information. He stated in order not to compress the pay scale, equity adjustments are required through the ranks. He stated this information and the percentages presented were provided by the pay consultant. He explained audits for certain positions were done to determine adequate salary in order to remain competitive in the labor market.

Cunningham stated she is troubled by the data provided and how it compares to other local cities. She stated lack of time to do a selective analysis on the pay ranges limits her ability to make an informed decision. She further stated she is comfortable with $1 million for paving and $600,000 for drainage but would like another workshop on the pay plan.

Sprouse stated the pay study compares the positions to the market and stated his concern when one position is looked at over other positions as it is important to have good employees in all departments. He stated the consultant cautioned the Board on tinkering with the plan as presented and not to adjust at the Board level.

Frost stated he supports the pay plan as presented and cited the lack of cost-of-living increases and step increases for employees on the past years due to the economic downturn and to keep from laying off employees. He stated all employees are important to make the City run. He further stated he feels this is an opportunity to give back to the employees. He stated he feels it would be ill-advised to alter the plan or split the plan and put a burden on future Boards. He further stated the threat of a tax increase should not be used against implementing the pay plan.

Frost requested Public Works Director Jerry Horton be available to answer questions.

Frost questioned if there were any remaining bond funds from last year to be used for drainage.

Horton explained the remaining bond funds are obligated to the Southburn Drive area and the project is currently being designed and will include a pipe being placed under the railroad tracks requiring permission from CSX.

Frost questioned which are the worst drainage problems affecting the most people. He stated it is time to start getting these issues resolved.

Horton explained the projects vary in costs and include pipe replacement, curb replacement, study of the sinkholes in the Indian Lake peninsula, bank rehabs, culvert upgrades and replacing old catch basins. He estimated a large portion of the projects could be handled with $1 million.

Frost moved; seconded by Skidmore to accept the pay plan as proposed in the budget with the exception of the Mayor's salary and include a $1 million bond issue for drainage repair.

Skidmore withdrew his motion as he wants further discussion on the bond issue.

Stamper offers a second on the motion.

Frost stated if the Board prefers to separate these items, he has no objection but these drainage problems must be addressed. He stated he would withdraw the bond issue from his motion at this time but does want this discussed.

Frost moved; seconded by Skidmore to accept the pay plan excluding the Mayor's salary to be discussed separately.

Goode stated his concern with rising insurance costs affecting pay increases of employees. He stated it is time to step up and bring employee salaries to where they need to be.

Sprouse stated he feels the Mayor's salary is too big of a bite and the timing is not right. He stated a reasonable cost-of-living increase would be appropriate.

Sprouse moved to give a 6% cost-of-living adjustment to the City Attorney, the City Judge, the Mayor and the Aldermen would be appropriate.

Frost stated he does not need a pay raise and is more comfortable discussing the Mayor's salary later.

Sprouse withdrew his motion.

Qualls stated funds have been found for paving and the fire hall addition and does not jeopardize the pay plan. He questioned if the Finance Director has any concern about funding the budget without a tax increase.

Finance Director Ron Minnicks addressed the Board stating the budget as presented including the pay plan does not require a tax increase.

Qualls questioned what Minnicks perceives for the following budget.

Minnicks stated each budget year is unique but that if the economy continues its growth a similar or better budget can be expected.

Qualls stated two items high on his agenda have been solved, adequate paving and the fire hall addition, without a tax increase. He stated he does not feel it would be required to implement the pay plan in phases. He stated the Board needs to be aware that $48,500 is included in the budget for the Special Projects Coordinator.

Ames stated this pay plan, if adopted, will place employees in the top of the third quartile.

Foster stated that is correct.

Skidmore stated a plan can be made to look and say whatever we want it to say and this should be considered. He stated he supports the pay plan but does not like certain aspects of it such as department heads' salaries.

Stamper stated the employees need to be well compensated but he has concerns. He stated his concern with the implementation date and its effect on the general fund balance. He stated he understands it is not feasible to delay the implementation date due to the increased insurance cost for the employee. He stated his concern that the public feels the only way to implement this pay plan is through a tax increase in order to take care of the fire and police employees. He further stated the general fund balance will be a lot lower than he likes and his concern with tax anticipation notes. He cited the increase in revenues once the TIF is paid off and the rebounding economy.

Woodcock questioned how the City would handle an emergency situation with a low general fund balance.

Foster explained that should an emergency situation arise, the possibility of issuing bonds and federal government assistance would be considered. He cited past emergency situations the City has weathered.

Minnicks explained the general fund balance is low but that the City's debt service will drop dramatically in three years. He stated short term borrowing may be necessary to get some projects done but if debt is controlled long term, the City's finances will look better. He stated any emergencies that happen will be dealt with. He explained the fund balance being reviewed is based on 100% revenue and expenditures and expects it to be $2 million more at the end of the next fiscal year.

Woodcock questioned what the City's game plan is for future health insurance costs.

Foster explained that would be up to the Board to determine how the increase would affect employees' pay.

Woodcock stated he understands that if something happens in six months to affect the budget, the City would have to have a tax increase.

Foster stated that is not being discussed tonight.

Woodcock stated he understood the pay plan consultant was paid to compare Hendersonville with 30 other cities when this information can be found on the cities' websites.

Foster explained desk audits were done for positions where pay was in question, reviewed job descriptions and conducted interviews.

Woodcock question if the pay plan is implemented would Hendersonville still be competitive with cities like Portland.

Fire Chief Jamie Steele explained the firefighters leaving Hendersonville has been about pay. He stated Hendersonville needs to be competitive in salary. He stated he is responsible for providing the best trained and equipped firefighters in the country. He further stated the Fire Department has been a recipient of $6 million dollars in grants for fire trucks and a boat that does not have to be funded by the City.

Woodcock stated his concern that in two years the pay may not be equitable to other departments.

Steele stated the proposed pay plan makes Hendersonville competitive with Nashville and surrounding cities at this time.

Woodcock stated until other employees strap on a gun or puts on a fire suit, these employees are a step above anyone else.

Long stated if the fire and police employees were separated in the pay plan she could support it. She stated she does not understand how the City can afford the pay plan when the budget includes authorization for a tax anticipation note.

Minnicks explained the authorization for a tax anticipation note is included in every budget document should the need arise. He further explained this money is to be repaid by the end of the fiscal year and would require approval by the Board.

Long stated this money is used to pay salaries and the City's operating expenses.

Minnicks explained the tax anticipation money would reinforce a low point in the fund balance if needed.

Long stated if the pay plan is adopted, the general fund balance will be low.

Minnicks explained the general fund balance changes daily depending on the timing of revenues and expenditures. He further explained if it gets to the point where expenditures exceed revenues and the fund balance drops, a tax anticipation note may be needed until property taxes start coming in. He stated a tax anticipation note was not necessary this year. He further stated it is not uncommon for a city to issue a tax anticipation note and cited the requirements before it can be issued. He explained the economy in the past few years has necessitated a tax anticipation note be issued.

Long stated she feels frivolous spending keeps the money from being saved when it should be.

Cunningham questioned the differences in the general fund balances.

Minnicks explained the $1.1 million general fund balance represents 100% revenue received and 100% expenditures and the City's history shows revenues are higher and expenditures are lower than budgeted.

Cunningham questioned if a tax anticipation note was to be expected this fiscal year.

Minnicks stated he is concerned about this but it would depend on when major expenditures come in.

Cunningham questioned the need for a $700,000 TDOT project float and if the City has the funds for this.

Minnicks stated it would depend on when the project expenditures come it, whether before or after property taxes are due.

West stated she supports the pay plan without the Mayor's salary but is concerned about the general fund balance and the need to keep expenditures tight.

Waters stated it breaks his heart to hear the Chief's beg for raises for their employees. He further stated the City needs to give the employees what they deserve.

There was a majority vote for approval to adopt the pay plan as presented, excluding the Mayor's salary, as part of the budget with Long voting nay.

Foster declared the motion carried.

Upon motion and second and followed by a unanimous vote for approval, a recess was taken at 9:25 p.m. The meeting reconvened at 9:38 p.m.

Skidmore stated he disagreed with the recommended department head classification for the Human Resources Manager.

Goode stated the General Committee reviewed this recommendation and explained this classification does not change salary.

Qualls stated he understands the pay plan consultant indicated a new department head should be implemented.

Foster explained the Finance Director also serves as the department head for the Human Resources Department and the pay plan consultant feels with the upcoming Obama care, pay plan issues and insurance, the Human Resources Manager handles the duties as a department head.

Qualls moved; seconded by Skidmore to amend the pay plan by removing the department head classification of the Human Resources Manager.

Stamper questioned if the pay plan adopted changed any classification of any employees.

Foster explained there are several classification changes in the adopted pay plan. He stated the recommendation to make the Human Resources Manager a department head is a major change.

There was a unanimous vote for approval to remove department head status for the Human Resources Manager.

Long moved: seconded by Stamper to remove the $48,500 for the Special Projects Coordinator from Central Services.

West questioned the status of the contract for the consultant.

Foster stated the contract is for one year and up to $48,500.

Goode questioned if the Mayor feels this position is warranted.

Foster explained there are 10-11 projects that need financial experience that the Finance Director is not able to perform due to time constraints. He cited the administrative polices that have been updated by the consultant and his work on a timekeeping system. He stated at the end of consultant's contract, he can advise if he is still needed and the Board can review it.

Ames stated the consultant is to be paid for six months with found money if these funds are not budgeted.

Foster explained the consultant is paid on an hourly basis and receives no benefits. He stated without the consultant's work, a revised timekeeping system will not be implemented, he will not be available to assist with Obama care or the TDOT projects.

Stamper questioned if this position is a need or a want. He further stated the money will continue to be found for six more months. He stated $48,000 would cover the cost of a tax anticipation note.

Woodcock moved; seconded by Sprouse to amend the motion to the budget by reducing the Special Projects Coordinator line item from $48,500 to $24,250 and to have a report on the project status in six months at which time the Board can determine whether or not to renew the contract.

The following voted on the amendment to the amendment:

Aye: Ames, Cunningham, Goode, Sprouse, West, Woodcock and Foster.

Nay: Frost, Long, Qualls, Skidmore, Stamper and Waters.

Foster declared the motion carried.

Qualls stated he understood the Special Projects Coordinator's contract could be ended by either party. He stated he would like to see if the background for this consultant matches the pay.

Cunningham questioned if the amendment passes, would other funds be used to cover the line item.

Foster stated no other funds would be used to cover the line item.

The following voted on the above amendment to the budget:

Aye: Ames, Cunningham, Goode, Sprouse, West, Woodcock and Foster.

Nay: Frost, Long, Qualls, Skidmore, Stamper and Waters.

Foster declared the motion carried.

Foster stated he would like the issue of the Mayor's salary to be settled. He stated he will step down from the chair and allow Vice-Mayor Sprouse to chair this portion of the meeting.

Sprouse asked if the Board had any recommendation outside of the pay plan consultant's in regards to the Mayor's salary.

Stamper stated he does not see a reason for Foster to step down from chairing the meeting.

Foster began chairing the meeting again.

Stamper stated he feels the Mayor's salary for a town our size is underpaid. He further stated he knows Foster has not asked for an increase in salary and does not feel the appropriate salary can be achieved in one year but would like to make a start.

Stamper moved; seconded by Cunningham to amend the pay plan by increasing the Mayor's salary by 6%.

Woodcock stated he understands a small increase is needed.

Waters questioned the number of employees the Mayor supervises.

Foster stated there are 324 full time employees.

Waters cited CEO's at private companies with fewer employees making more than the Mayor.

Goode questioned if in the past, when the Mayor's salary is increased, the City Attorney and the City Judge's hourly rate was also increased.

Minnicks explained currently the timesheets are prepared prior to the time worked for the total work period and adjusted on the next pay period. He cited scheduling concerns and various reports requiring employee data and stated a City this size needs to be automated in order to reduce manual work and errors.

Frost questioned approving this expenditure in the budget or waiting for RFP results.

Frost moved; seconded by Goode to have the $75,000 for a timekeeping system remain in the budget.

Qualls stated this amount is already included in the budget as presented.

Cunningham questioned how the $70,000 in the State Street Aid line item is to be used.

Public Works Director Jerry Horton explained funds are budgeted every year to be used to address equipment issues. He further explained the funds can be used to purchase vehicles or equipment if needed.

Cunningham stated SUV's were purchased previously from this fund and questioned if this use was allowed.

Horton stated State Street Aid funds are to be used for street maintenance and that is how the vehicles are used.

Frost requested prior to second reading a list of proposed drainage projects could be presented to the Board for review to be included in a proposed bond issue.

Stamper stated he would not oppose funding outside assistance to identify drainage issues.

Skidmore stated he feels staff can do such identification. He further stated a lot of drainage problems are small but still problems.

Foster stated the Public Works and Capital Projects Committees could meet prior to second reading of the budget to identify the areas of concern.

There was a majority vote for approval of Ordinance 2013-28, as amended, on first reading with Long voting nay.

Foster declared the motion carried.

The caption of Ordinance 2013-29 was read on first reading, an Ordinance fixing the rate of taxation in the City of Hendersonville, Sumner County, Tennessee. Frost moved; seconded by Sprouse.

There was a unanimous vote for approval of Ordinance 2013-29 on first reading.

The caption of Ordinance 2013-30 was read, an Ordinance imposing a fee in the amount of $259.00 for the purpose of funding "A Universal System of Domestic Garbage Collection and Disposal". Frost moved; seconded by West.

There was a unanimous vote for approval of Ordinance 2013-30 on first reading.

The caption of Resolution 2013-14 was read, a Resolution to declare certain public safety equipment to be surplus to the City's needs and directing disposal. Frost moved; seconded by Stamper.

There was a unanimous vote for approval of Resolution 2013-14.

Upon motion and second and followed by a unanimous vote for approval, the meeting adjourned at 10:30 p.m.

Scott Foster

Approved: Scott Foster, Mayor

Kay Franklin

Attest: Kay Franklin, City Recorder